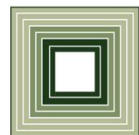


Department of Environment and Natural Resources



Natural and Economic Resources Appropriations Subcommittee

March 9, 2011



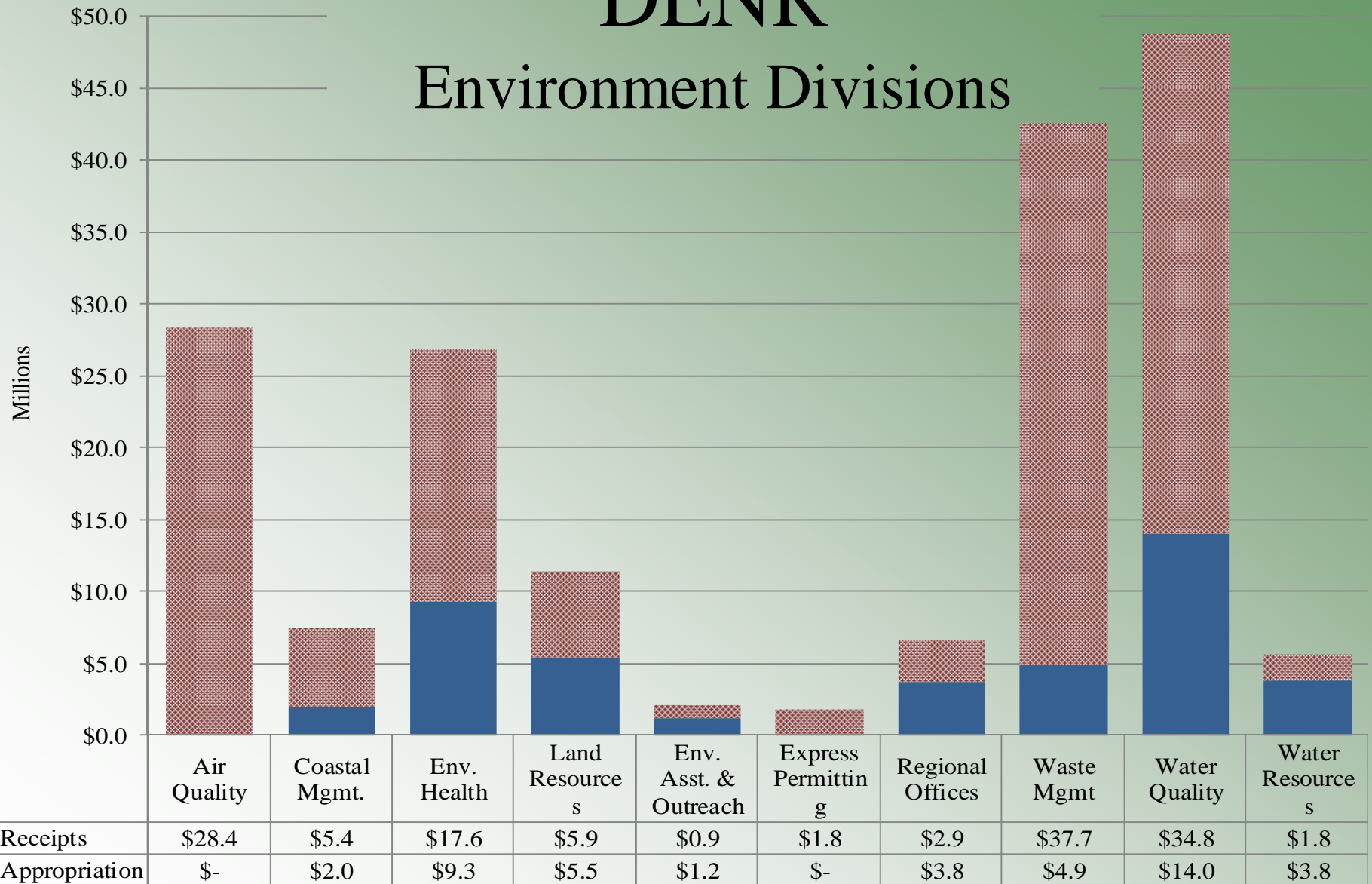
FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Today's Agenda

- Environmental & Regulatory Division Overviews
 - Budget Summary
 - Management Information
 - FY 2009-11 Actions
 - FY 2011-13 Recommendations:
 - Agency 5-10-15% reduction proposals
 - Governor's Recommended Budget
 - Other Options

DENR

Environment Divisions



Regional Offices

**Non-regulatory
State Program**

FY 2011-12 Base Budget

| | |
|--------------|---------|
| General Fund | \$3.7 M |
| Receipts | \$2.7 M |

Positions

| | |
|------------------------|-------------|
| Directors | 1.0 |
| Asst. Directors | - |
| Supervisors | 7.0 |
| Admin | 7.0 |
| Other Employees | 49.8 |
| Total Employees | 64.8 |

Vehicles

| | |
|-------------------------|----|
| MFM Assigned | 42 |
| <i>Department-owned</i> | 0 |
| Passenger Vehicles | 0 |
| Non-passenger Vehicles | 0 |

Cell Phones

| | |
|---------------------|--------|
| # of Phones 12/2009 | 7 |
| # of Phones 12/2010 | 7 |
| Cost 12/2010 | \$ 238 |
| % General Fund | 0.0% |

Regional Offices

Annual Costs

| Location | FTEs | Total Salary/Fringes | Operating Expenses | Lease Amount |
|---------------|-------|----------------------|--------------------|--------------|
| Raleigh | 87 | \$5,470,172 | \$100,827 | \$388,377 |
| Fayetteville | 76 | \$4,706,250 | \$405,353 | \$312,544 |
| Wilmington | 119 | \$7,220,770 | \$109,338 | \$401,376 |
| Mooreville | 95.75 | \$6,100,653 | \$154,152 | \$201,528 |
| Asheville | 109 | \$7,128,542 | \$211,580 | \$305,642 |
| Winston-Salem | 99 | \$6,438,487 | \$126,055 | \$379,618 |
| Washington | 123 | \$7,287,671 | \$290,572 | \$330,000 |

Includes positions in: Administration, Water Quality, Land Resources, Waste Management, Air Quality, Soil & Water Conservation, Marine Fisheries, Parks & Recreation, Coastal Management, One-Stop Permitting, OCPCA, & EEP

Regional Offices

FY 2009-11 Actions

FY 2009-11 NCGA Actions

- None

Reversion

\$37,028

Regional Offices

FY 2011-13 Agency/Governor Recommendations

5-10-15% Reduction Proposal

- None

Governor's Recommendations

- Eliminate 3.0 FTEs in Regional Field Offices (1.0 in Raleigh, 2.0 in Wilmington) (\$114,420)

Additional Cut Options

- Eliminate /reduce number of MFM vehicles
- Consolidate Regional Offices with other NER agencies (Commerce, Labor)

Express Permitting

**Non-regulatory
State Program**

FY 2011-12 Base Budget

| | |
|--------------|--------|
| General Fund | \$0 |
| Receipts | \$1.8M |

Positions

| | |
|----------------------|------|
| Coastal Management | 1.5 |
| Water Quality | 19.0 |
| Environmental Health | 1.0 |
| Land Quality | 6.5 |
| Administration | 1.5 |
| Total Employees | 29.5 |

Express Permitting

FY 2009-11 Actions

FY 2009-11 NCGA Actions

- None

Reversion

- None

Express Permitting

FY 2011-13 Agency/Governor Recommendations

5-10-15% Reduction Proposal

- None

Governor's Recommendations

- None

Other Options

- Eliminate/reduce number of vehicles
- Eliminate program

Air Quality

**Regulatory
Federal & State**

FY 2011-12 Base Budget

Expenditures \$28.9M

Receipts \$28.2M

Positions

| | |
|------------------------|--------------|
| Directors | 1.0 |
| Asst. Directors | 1.0 |
| Supervisors | 28.0 |
| Admin | 7.0 |
| Other Employees | 227.0 |
| Total Employees | 264.0 |

Vehicles

| | |
|-------------------------|----|
| MFM Assigned | 36 |
| <i>Department-owned</i> | 7 |
| Passenger Vehicles | 3 |
| Non-passenger Vehicles | 4 |

Cell Phones

| | |
|---------------------|----------|
| # of Phones 12/2009 | 94 |
| # of Phones 12/2010 | 78 |
| Cost 12/2010 | \$ 3,020 |
| % General Fund | 0.0% |

Air Quality

FY 2009-11 Actions

FY 2009-11 NCGA Actions

- None

Reversion

- None

Air Quality

FY 2011-13 Agency/Governor Recommendations

5-10-15% Reduction Proposal

- None

Governor's Recommendations

- None

Additional Cut Options

- Eliminate /reduce number of vehicles
- ...this Division is fully receipt supported.

Coastal Management

**Regulatory &
Non-regulatory
Federal & State**

FY 2011-12 Base Budget

| | |
|--------------|---------|
| General Fund | \$4.7 M |
| Receipts | \$2.0 M |

Positions

| | |
|------------------------|-------------|
| Directors | 1.0 |
| Asst. Directors | 2.0 |
| Supervisors | 10.0 |
| Admin | 3.0 |
| Other Employees | 46.0 |
| Total Employees | 62.0 |

Vehicles

| | |
|-------------------------|----|
| MFM Assigned | 21 |
| <i>Department-owned</i> | 1 |
| Passenger Vehicles | 1 |
| Non-passenger Vehicles | 0 |

Cell Phones

| | |
|---------------------|----------|
| # of Phones 12/2009 | 27 |
| # of Phones 12/2010 | 28 |
| Cost 12/2010 | \$ 1,048 |
| % General Fund | 8.9% |

Coastal Management

FY 2009-11 Actions

FY 2009-11 NCGA Actions

– Fund-shifted positions

Reversion

\$21,074

Coastal Management

FY 2011-13 Agency/Governor Recommendations

5-10-15% & Governor's Recommendations

- Fund-shift 5.0 positions to grant & permit fee funding (\$316,115)

Additional Cut Options

- Eliminate /reduce number of vehicles
- Eliminate funding for Coastal Reserves (\$276,185)
- Examine span of control – 2 asst. directors & 10 supervisors for 49 other staff (\$TBD)
- Eliminate Raleigh office (3.0 FTEs) (\$TBD)

Environmental Assistance & Outreach

Non-regulatory State Program

FY 2011-12 Base Budget

| | |
|--------------|----------|
| General Fund | \$1.06 M |
| Receipts | \$1.19 M |

Positions

| | |
|------------------------|-------------|
| Directors | 1.0 |
| Asst. Directors | - |
| Supervisors | 3.0 |
| Admin | 1.0 |
| Other Employees | 32.0 |
| Total Employees | 37.0 |

Vehicles

| | |
|-------------------------|---|
| MFM Assigned | 2 |
| <i>Department-owned</i> | 0 |
| Passenger Vehicles | 0 |
| Non-passenger Vehicles | 0 |

Cell Phones

| | |
|---------------------|------|
| # of Phones 12/2009 | 1 |
| # of Phones 12/2010 | 2 |
| Cost 12/2010 \$ | 164 |
| % General Fund | 0.0% |



Environmental Assistance & Outreach

FY 2009-11 Actions

FY 2009-11 NCGA Actions

- Consolidated former Div. of Pollution Prevention and Environmental Assistance with Customer Service Center
- Fund-shifted positions

Reversion

\$6,063

Environmental Assistance & Outreach

FY 2011-13 Agency/Governor Recommendations

5-10-15% & Governor's Recommendations

- Eliminate 1.0 Environmental Program Manager position (\$113,994)

Additional Cut Options

- Eliminate funding for Environmental Stewardship Initiative (\$250,000)
- Consolidate staff and functions of Division with Regional Offices – permit assistance and customer assistance focus (\$TBD)
- Eliminate Division

Environmental Health

**Regulatory &
Non-regulatory
State & Federal**

FY 2011-12 Base Budget

| | |
|--------------|----------|
| General Fund | \$17.2 M |
| Receipts | \$9.2 M |

Positions

| | |
|------------------------|--------------|
| Directors | 1.0 |
| Asst. Directors | 1.0 |
| Supervisors | 41.0 |
| Admin | 7.0 |
| Other Employees | 236.5 |
| Total Employees | 286.5 |

Vehicles

| | |
|-------------------------|----|
| MFM Assigned | 98 |
| <i>Department-owned</i> | 10 |
| Passenger Vehicles | 8 |
| Non-passenger Vehicles | 2 |

Cell Phones

| | |
|---------------------|----------|
| # of Phones 12/2009 | 172 |
| # of Phones 12/2010 | 172 |
| Cost 12/2010 | \$ 9,239 |
| % General Fund | 25.6% |

Environmental Health

FY 2009-11 Actions

FY 2009-11 NCGA Actions

- Fund-shift positions and operating costs; eliminate some positions
- Reduce funding for Childhood Lead Poisoning Prevention Program, Food & Lodging Program, Mosquito Pest Management
- Increase food & lodging inspection fee
- Transfer Tick-Borne Disease funding from DHHS
- Convert Radiation Protection Section to receipt support
- Produce merger study on DENR's DEH & DHHS's Div. of Public Health

Reversion

\$90,399

Environmental Health

FY 2011-13 Recommendations

5-10-15% Reduction Proposal

- Eliminate filled & vacant positions; fund-shift positions to receipt support
- Eliminate programs:
 - Vector Control Program
 - On-Site Quality Assurance Program
 - Wastewater Discharge Elimination (WaDE) Program

Environmental Health

FY 2011-13 Governor's Recommended Budget

- *Eliminate programs:*
 - WaDE Program (\$160,594) (2.0 FTE)
 - Mosquito Control Aid Funds (\$186,191)
 - On-Site Quality Assurance Program (\$70,000) (1.0 FTE)
 - Aid to Counties for Environmental Health Services Programs (\$400,000)
- *Positions:*
 - Eliminate 3.0 Public Water Supply Positions (\$202,625)
 - Shift 1.0 FTE to receipt support in Radiation Protection Section (\$82,298)
 - Reduce 3.0 filled FTEs (Food & Lodging, On-site Wastewater, & Division Office) & shift 2.25 FTE to receipts (\$307,422)

Environmental Health

FY 2011-13 Other Recommendations

- *Eliminate programs:*
 - Tick Control Program (\$139,499)
 - Vector Control Program (\$391,311)
 - Private Wells Program (\$348,372)
- *Move/consolidate programs:*
 - Sleep Products Program → Agriculture (\$0)
 - receipt-supported but some overlapping functions
 - Grade “A” Milk Sanitation Branch → Agriculture (\$550,480)
 - Shellfish Sanitation → Marine Fisheries or Water Quality (\$1,650,146)
 - Licensing Boards & Commissions → General Government:
 - Well Contractor’s Certification Commission (\$0)
 - NC Water Treatment Facility Operator Certification Board (\$0)
- Transfer some or all of DEH programs to DHHS...

DEH – DPH Merger Study

Model 1: Move all programs related to local health departments from DEH to DPH:

- Environmental Health Services
 - Food Protection Program (\$1,347,304)
 - Grade “A” Milk Sanitation Program (\$550,480)
 - Children’s Environmental Health (Childhood Lead Poisoning Prevention Program, Child Care Sanitation, School Sanitation) (\$920,664)
 - Pools, Tattoos and State Institutions (\$419,741)
- On-Site Water Protection
 - Private Wells Program (\$348,372)
 - WaDE Program (\$160,594)
 - Quality Assurance (\$70,000)
 - On-site Wastewater Program (\$1,206,279)
 - Non-point Source Program (\$110,219)
 - Well Contractors Certification Commission (\$0)
- Public Health Pest Management (Sleep Products, Tick Control, Vector Control) (\$717,001)
- Radiation Protection (Radiology, Radioactive Materials, Tanning, Radon) (\$0)
- Office of Education & Training (\$233,307)

Land Resources

**Regulatory &
Non-regulatory
State Program**

FY 2011-12 Base Budget

| | |
|--------------|---------|
| General Fund | \$5.8 M |
| Receipts | \$5.5 M |

Positions

| | |
|------------------------|--------------|
| Directors | 1.0 |
| Asst. Directors | - |
| Supervisors | 25.0 |
| Admin | 2.0 |
| Other Employees | 99.0 |
| Total Employees | 127.0 |

Vehicles

| | |
|-------------------------|----|
| MFM Assigned | 20 |
| <i>Department-owned</i> | 34 |
| Passenger Vehicles | 34 |
| Non-passenger Vehicles | 0 |

Cell Phones

| | |
|---------------------|--------|
| # of Phones 12/2009 | 34 |
| # of Phones 12/2010 | 35 |
| Cost 12/2010 | \$ 636 |
| % General Fund | 76.7% |

Land Resources

FY 2009-11 Actions

FY 2009-11 NCGA Actions

- Eliminated aid to local governments for sediment & erosion control programs
- Funded new position to research natural gas & petroleum potential in Mesozoic Deep River Basin
- Established dam safety fee to support two positions
- Eliminated funding for County Boundary Program

Reversion

\$53,452

Land Resources

FY 2011-13 Agency/Governor Recommendations

5-10-15% Reduction Proposals

None

Governor's Recommendations

None

Additional Cut Options

- Eliminate/reduce number of vehicles
- Eliminate cell phones
- Investigate possible consolidation of sedimentation activities with Division of Water Quality
- Eliminate programs that are non-regulatory within
 - Geodetic Survey
 - Geological Survey

Waste Management

**Regulatory &
Non-regulatory
State & Federal**

FY 2011-12 Base Budget

| | |
|--------------|----------|
| General Fund | \$46.1 M |
| Receipts | \$4.9 M |

Positions

| | |
|------------------------|--------------|
| Directors | 1.0 |
| Asst. Directors | 1.0 |
| Supervisors | 44.0 |
| Admin | 4.0 |
| Other Employees | 239.0 |
| Total Employees | 289.0 |

Vehicles

| | |
|-------------------------|----|
| MFM Assigned | 55 |
| <i>Department-owned</i> | 10 |
| Passenger Vehicles | 8 |
| Non-passenger Vehicles | 2 |

Cell Phones

| | |
|---------------------|----------|
| # of Phones 12/2009 | 97 |
| # of Phones 12/2010 | 92 |
| Cost 12/2010 | \$ 5,912 |
| % General Fund | 0.0% |

Waste Management

FY 2009-11 Actions

FY 2009-11 NCGA Actions

- Fund-shift positions using new revenue in FY 08-09 from solid waste disposal tax

Reversion

\$47,470

Waste Management

FY 2011-13 Agency/Governor Recommendations

5-10-15% Reduction Proposal

- Fund-shift positions
- Increase Solid Waste Permitting Fee

Governor's Recommendations

- Eliminate 4.5 FTEs in Solid Waste Permitting Program (\$323,609)
- Shift 2.4 FTEs to receipt support (\$159,261)
- Reduce operating funds (\$23,819)

Additional Cut Options

- Eliminate/reduce number of MFM vehicles (55)
- Examine span of control – 44 supervisors & 239 other employees
- Eliminate State-only programs

Water Quality

**Regulatory &
Non-regulatory
State & Federal**

FY 2011-12 Base Budget

| | |
|--------------|----------|
| General Fund | \$33.0 M |
| Receipts | \$14.4 M |

Positions

| | |
|------------------------|--------------|
| Directors | 1.0 |
| Asst. Directors | 2.0 |
| Supervisors | 63.0 |
| Admin | 10.0 |
| Other Employees | 384.5 |
| Total Employees | 460.5 |

Vehicles

| | |
|-------------------------|----|
| MFM Assigned | 56 |
| <i>Department-owned</i> | 43 |
| Passenger Vehicles | 32 |
| Non-passenger Vehicles | 11 |

Cell Phones

| | |
|---------------------|----------|
| # of Phones 12/2009 | 204 |
| # of Phones 12/2010 | 144 |
| Cost 12/2010 | \$ 2,908 |
| % General Fund | 95.2% |

Water Quality

FY 2009-11 Actions

FY 2009-11 NCGA Actions

- Eliminate funding for Neuse River Rapid Response Team
- Provide \$250,000 NR funding for Ferrymon program

Reversion

\$136,164

Water Quality

FY 2011-13 Agency/Governor Recommendations

Governor's Recommendations

- Eliminate Well Drillers Program (\$344,181) (7.0 FTE)
- Reduce Operating Budget (\$442,880)
- Eliminate 8 FTEs & shift 14.5 FTEs to receipt support (\$1,217,902)

Additional Cut Options

- Eliminate/reduce number of vehicles & cell phones
- Move animal operations to Soil & Water Conservation
- Eliminate State-only programs

Water Resources

Regulatory State Program

Positions

| | |
|------------------------|-------------|
| Directors | 1.0 |
| Asst. Directors | 1.0 |
| Supervisors | 3.0 |
| Admin | 1.0 |
| Other Employees | 31.0 |
| Total Employees | 37.0 |

FY 2011-12 Base Budget

| | |
|--------------|---------|
| General Fund | \$3.8 M |
| Receipts | \$1.3 M |

Vehicles

| | |
|-------------------------|---|
| MFM Assigned | 5 |
| <i>Department-owned</i> | 5 |
| Passenger Vehicles | 5 |
| Non-passenger Vehicles | 0 |

Cell Phones

| | |
|---------------------|--------|
| # of Phones 12/2009 | 10 |
| # of Phones 12/2010 | 12 |
| Cost 12/2010 \$ | 389 |
| % General Fund | 100.0% |

Water Resources

FY 2009-11 Actions

FY 2009-11 NCGA Actions

- Reduce funding for river basin commissions

Reversion

\$37,615



Water Resources

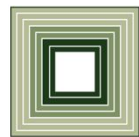
FY 2011-13 Agency/Governor Recommendations

Governor's Recommendations

- Transfer prior-year Capital Improvement funds to Stream Monitoring Network (\$423,000)
- Transfer prior-year Capital Improvement funds to Groundwater Well Monitoring Network (\$141,227)

Additional Cut Options

- Eliminate State-only programs:
 - Ground Water Management
 - River Basin Management
 - Water Supply Planning



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